INFORMATION LETTER

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Price Level of Canned Foods Cited in Congressional Report

As part of its continuing study of government control programs authorized by the Defense Production Act, the Joint Committee on Defense Production has issued a report on "Consumer Commodity Prices and Margin Spreads." The report makes no recommendations with respect to the future of price and wage stabilization.

Instead, the report is an analysis of prices and margins of some of the more important commodities in the cost of living. The report is the twenty-second prepared by the Joint Committee on Defense Production, which is composed of five members each of the Senate and House Committees on Banking and Currency.

The 113-page report reproduces material supplied by N.C.A. and explaining why canned foods prices are not inflationary, have not been inflationary, and will not be inflation-

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OPS Delegates Authority

In line with previously announced decentralization plans, OPS on November 26 delegated authority to district offices to take over price control functions formerly handled only by the national office.

Amendment 6 to GOR 10 authorizes OPS district offices to process applications from manufacturers seeking increases for hardship provided annual net sales volume is less than $1 million. Larger manufacturers still must file with the national office. The amendment restores the requirement that applications under GOR 10 (see INFORMATION LETTERS of April 19, page 155, and September 20, page 263) must be filed by registered mail.

Amendment 38 to the GCPR clarifies and extends to additional manufacturers the recent delegation of authority in Amendment 36 to permit local offices to receive and act on reports of ceiling prices on new commodities and applications from new sellers. Amendment 38 permits local offices to process such reports and applications from manufacturers with gross yearly sales of less than $1 million.

Bonus Payments

The Wage Stabilization Board has issued several interpretations of Section 3 of GWR 14 which authorize certain bonus payments for 1952 without prior WSB approval.

Section 3 provides that in the "current bonus year" an employer may pay bonuses to the employees in an appropriate employee unit so that the percentage of employees in the unit who are paid bonuses and the average amount or percentage of bonus paid to such employees do not exceed the corresponding percentages or amount in the "preceding bonus year." This section further limits the maximum individual bonus to the amount or percentage paid in the "preceding bonus year" and to 25 percent of his total compensation excluding bonuses.

Three recently issued interpretations provide:

(1) That either the 1950 bonus year or the bonus year immediately preceding the current bonus year may be selected as the "preceding bonus year" for the purposes of applying Section 3;

(2) That bonuses paid in 1951 pursuant to specific approval of the WSB constitute bonuses paid in the "preceding bonus year" if 1951 is selected as such year; and

(3) That approval by the WSB of bonus payments in excess of 25 percent of annual compensation to individual employees for the year 1951 is applicable to the year 1952 without further WSB action.

Tariff Commission Reports Tuna Imports Not Injurious

The Tariff Commission has found that canned tuna and canned bonito "are not being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry." The Commission therefore makes no recommendation to the President for withdrawal or modification of any of the tariff concessions on these products. The Commission's finding is in a report of its investigation begun in January (see INFORMATION LETTER of February 2, page 91).

Future of Price Stabilization Confused by Conflicting Report

The future status of price and wage stabilization was confused by these top-level developments in Washington this week:

1. Tighe Woods announced his resignation as Director of Price Stabilization, effective November 30. He issued a statement saying that the Defense Production Act is full of "special interest amendments" and named one of them as the Harrison amendment decontrolling fresh and processed fruits and vegetables.

Joseph H. Freehill, formerly Chief Counsel and more recently Deputy Director, second to Mr. Woods in authority, was named Acting Director of Price Stabilization.

2. Senator Maybank (S. C.), chairman of the Senate Committee on Banking and Currency and the leading figure in the drafting and enactment of Defense Production Act amendments, said that he had information that the President was planning to liquidate OPS and WSB and end all price and wage controls by executive order.

Such a move has been strongly suggested in Washington as the only possible way of settling the wage dispute over coal miners' pay. Coal operators and the miners' union contracted for a $1.90 an hour wage increase and the WSB rejected this as exceeding wage stabilization formulas, but efforts to compromise have failed so far.

3. The White House denied that an order ending price and wage controls is "in the works or contemplated." The White House indicated, on the other hand, that the President's staff is gathering data on the price control

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Fruit Nectars in New York City

The Comptroller of New York City has ruled that fruit nectars are not subject to the City's retail sales tax and that the tax will not be charged or collected on sales of fruit nectars. The Comptroller announced his ruling in a letter dated November 14 to N.C.A. Counsel.

MEETINGS

Economic Import of Canning

Canning is big business in Pennsylvania, and the industry is important to the entire economy, it was pointed out this week by N.C.A. President Fred C. Heinz.

Mr. Heinz reviewed the economic importance of the canning industry in a principal address at the 38th annual convention of the Pennsylvania Canners Association.

He pointed out that the canning industry in Pennsylvania processes great proportions of the foods grown in the state each year, and that canners across the country likewise are important customers to farmers and essential suppliers of foods to consumers.

Mr. Heinz also noted that canned fruits and vegetables have contributed least of any type of food to the rising cost of living, and urged his audience to recite the industry's price record among consumers.

Forthcoming Meetings

December 1-2—Michigan Canners Association, Fall Meeting, Pantlind Hotel, Grand Rapids

December 2—Maine Canners Association, Annual Meeting, Falmouth Hotel, Portland

December 2-3—Ohio Canners Association, Annual Convention, The Neil House, Columbus

December 4-5—Georgia Canners Association, Annual Meeting, Biltmore Hotel, Atlanta

December 4-5—New York State Canners and Freezers Association, Inc., 67th Annual Convention, Hotel Statler, Buffalo

December 4-5—Tri-State Packers Association, 49th Annual Convention, Haddon Hall, Atlantic City, N. J.

December 9—Minnesota Canners Association, Annual Meeting, Hotel Radisson, Minneapolis

January 19-20—Northwest Canners Association, Annual Convention, Olympic Hotel, Seattle, Wash.

January 22-23—Canners League of California, Annual Fruit and Vegetable Sample Cutting, Hotel Fairmont, San Francisco

February 2—Indiana Canners Association, Fieldmen's Meeting, Purdue University, Lafayette

February 3-5—Indiana Canners Association, Canners' and Fieldmen's Conference, Purdue University, Lafayette

February 4-5—Minnesota Canners Association, Sixth Annual Canners' and Fieldmen's Short Course, Curtis Hotel, Minneapolis

February 16-18—Canadian Food Processors Association, Annual Convention, Victoria, B. C.

February 17-20—National-American Wholesale Grocers Association, Annual Convention—Supplier and Customer Conferences Exhibit, The Morrison, Chicago

February 19-20—National Pickle Packers Association, Winter Meeting, Sheraton Hotel, Chicago

February 21-25—Annual Conventions of National Canners Association, National Food Brokers Association, and Canning Machinery & Supplies Association, Chicago

February 27-28—Virginia Canners Association, Annual Meeting, Hotel Roanoke, Roanoke

March 5-6—Ozark Canners Association, 45th Annual Convention, Colonial Hotel, Springfield, Mo.

March 13-14—Utah Canners Association, 41st Annual Convention, Hotel Utah, Salt Lake City

March 17-18—Northwest Canners Association, Annual Meeting, Chinook Hotel, Yakima, Wash.

March 23-24—Canners League of California, 49th Annual Directors Conference, Santa Barbara Biltmore, Santa Barbara

March 29-31—United States Wholesale Grocers Association, Convention and Exposition, Shoreham Hotel, Washington, D. C.

SUPPLIES

Shipments of Metal Cans

Shipments of metal cans for fruits, vegetables, juices, and fish and sea food during the first nine months of this year have exceeded the volume shipped during the same period of 1951, according to a report by the Bureau of the Census, U. S. Department of Commerce.

	Jan. through Sept. 1951	1952
	(in short tons of steel)	
Fruit and vegetable (including juice)	1,083,360	1,096,617
Fish and sea food	78,971	85,582
Meats, including poultry	106,512	*74,151

* Through August: data for September not reported so as to avoid disclosing figures for individual companies.

Shipments of metal cans for lard and shortening and coffee during the first nine months of 1952 also exceeded the 1951 rate, while shipments of cans for milk and other dairy products were down. Total shipments of all food cans were below the 1951 rate, but an increase in shipments of cans for nonfood products contributed to an over-all increase in can shipments for the nine-month period.

	Jan. through Sept. 1951	1952
	(in short tons of steel)	
Food cans, total	2,807,596	2,804,010
Nonfood cans, total	924,180	981,067
Total shipments	2,931,776	2,985,077

Domestic Sugar Quota Raised

The U. S. Department of Agriculture has announced an increase of 100,000 short tons, raw value, in the supply of sugar that will be available under 1952 sugar quotas. With this increase, the 1952 quota is established at 7,900,000 tons, the same amount as the final 1951 quota.

Distribution of sugar by U. S. refiners, importers and processors of sugar beets and mainland sugar cane through the first ten months of this year was 334,000 tons greater than in the same months of 1951. USDA said if distribution in November and December should equal that for the corresponding months of 1951, the total for the year would be about 8,100,000 tons.

Future of Price Stabilization

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situation to prepare an analysis which will be made the basis of a public statement by the President. There is speculation that this statement will announce a switch of emphasis from across-the-board to selective controls on metals, machinery, and other defense items.

4. Roger Putnam, Economic Stabilization Administrator, with authority over both OPS and WSB, has recommended to the President that Congress be asked to extend price and wage control authority through June 30, 1954, 14 months beyond the date on which these controls are scheduled to expire under existing law. Mr. Putnam recommended repeal of the Harrison amendment.

5. Mr. Putnam announced that Michael V. DiSalle will join ESA on December 1 as a special consultant. The arrival of Mr. DiSalle will coincide with the effective date of Mr. Woods' resignation. Mr. DiSalle organized OPS and was its Director for a year. He will advise Mr. Putnam on "organization, administration, and policies."

PUBLICITY

The Can Opener Cook Book

A new cook book devoted chiefly to recipes using canned foods has been prepared by the well known Poppy Cannon and published by the Thomas Y. Crowell Company, New York. The book is entitled *The Can Opener Cook Book.*

Miss Cannon's book covers every category of canned foods. The menus and recipes show how the hurried and even inexperienced cook, using a prepared mix, the jar, the frozen food package, or the canned product as a base, may produce "delectable, impressive dishes."

In her introduction, the author says: "At one time a badge of shame, hallmark of the lazy lady and the careless wife, today the can opener is fast becoming a magic wand, espe-

cially in the hands of those brave, young women, nine million of them (give or take a few thousand here and there), who are engaged in frying as well as bringing home the bacon."

Miss Cannon is well known for her interesting food articles in popular magazines and for her radio program on foods.

Family Circle Magazine

Canned foods are featured in the article entitled "Minute Main Dishes for Busy Holidays" by Drury Strong, associate food editor, in the December *Family Circle* magazine.

The introduction says: "With all the hustle and bustle before Christmas, there's still the job of cooking three meals a day. Here are six main dishes planned around quick-fix canned foods from your pantry shelf. Some are ready for the table in just a few minutes—others coast along in the oven, unwatched, until serving time. Each is easy to make, filling, and a thrifty choice for that battered budget."

Each of the dishes is shown in a black and white photograph. The following canned foods are used in the recipes: tomatoes, hominy, sardines, tuna, spaghetti in tomato sauce, tomato soup, baked beans in tomato sauce, sauerkraut, apples, corned beef hash, green beans, and cream of chicken soup.

STATISTICS

Canned Fruit and Vegetable Stocks and Shipments

Reports on canners' stocks and shipments of canned apples, apple sauce, RSP cherries, corn, and peas have been compiled by the N.C.A. Division of Statistics, and detailed reports have been mailed to all canners packing these items.

Canned Apple Stocks and Shipments

	1951-52	1952-53
	(basis 6/10)	
Carryover, Aug. 1	1,953,263	1,270,639
Pack, July through Oct.	1,407,027	1,247,794
Supply	3,360,290	2,527,433
Stocks, Nov. 1	2,469,878	1,205,908
Shipments during Oct.	415,169	543,808
Shipments, Aug. 1 to Nov. 1	890,452	1,321,523

Apple Sauce Stocks and Shipments

	1952-53
	(actual cases)
Carryover, Aug. 1	1,474,654
Pack, July through Oct.	6,003,462
Supply	7,478,116
Stocks, Nov. 1	4,182,114
Shipments during Oct.	1,429,979
Shipments, Aug. 1 to Nov. 1	3,296,002

RSP Cherry Stocks and Shipments

	1951-52	1952-53
	(actual cases)	
Carryover, July 1	29,950	212,949
Pack	4,672,041	3,892,004
Total supply	4,701,991	4,104,953
Stocks, Nov. 1	1,787,770	1,590,407
Shipments during Oct.	380,311	265,736
Shipments, July 1 to Nov. 1.	2,914,221	2,514,546

Canned Corn Stocks and Shipments

	1951-52	1952-53
	(actual cases)	
Carryover, Aug. 1	373,375	427,729
Pack	30,188,540	38,212,332
Total supply	30,561,915	38,640,061
Stocks, Nov. 1	19,718,386	24,703,344
Shipments, Aug. 1 to Nov. 1	10,843,529	13,936,817

Canned Pea Stocks and Shipments

	1951-52	1952-53
	(actual cases)	
Carryover, June 1	1,110,783	4,740,039
Pack	37,837,387	29,446,277
Total supply	38,948,170	34,186,336
Stocks, Nov. 1	22,110,990	18,638,045
Shipments during Oct.	3,957,154	2,520,838
Shipments, June 1 to Nov. 1	16,837,180	15,548,291

Canned Baby Food Stocks

Details of the canned baby food supply, stock and shipment situation are reported by the N.C.A. Division of Statistics as follows:

	1951	1952
	(thousands of dozens)	
Canner stocks, Jan. 1	62,453	57,522
Pack, Jan. through Oct.	99,454	110,354
Supply	161,907	167,876
Canner stocks, Nov. 1	55,699	51,677
Canner shipments, Oct.	11,228	11,291
Canner shipments, Jan. through Oct.	106,208	116,199

Production Goals for Potatoes

National production and acreage goals for white and sweet potatoes for 1953 have been increased sharply over 1952 goals.

USDA has increased the goal for white potatoes to 1,443,000 acres and 359,000,000 bushels, an increase of 10,000,000 bushels.

The goal for sweet potatoes is 427,000 acres and 40,670,000 bushels, 11,270,000 bushels more than last year.

With average yields, the increased acreage is expected to result in production sufficient to meet the production goals. This would amount to an increase of 3 percent for white potatoes and 39 percent for sweet potatoes.

PERSONNEL

Ezra Taft Benson

Ezra Taft Benson, a farm marketing specialist, was chosen this week by President-designate Eisenhower to be Secretary of Agriculture in the Eisenhower Cabinet.

Mr. Benson, 53, was executive secretary of the National Council of Farmer Cooperatives from 1939 to 1944.

Born in Idaho, he operated a farm in southern Idaho, 1923-29. During that time he was awarded a B.S. from Brigham Young University in 1926 and a M.S. in agricultural economics from Iowa State College in 1927.

He served as county agricultural agent in Preston, Idaho, 1929-30, and as an extension economist and marketing specialist with the University of Idaho Extension Service in charge of economics and marketing work for the State of Idaho, 1930-38. He also did graduate study at the University of California, 1937-38.

Then followed his term as head of the National Council of Farmer Cooperatives, with offices in Washington, D. C. He now makes his home in Salt Lake City, Utah.

Since 1943 Mr. Benson has been a member of the executive committee of the board of trustees of the American Institute of Cooperation, an organization of cooperative producers and processors of farm products which calls itself the "national educational organization for farmer cooperatives."

Indiana Canners Association

The Indiana Canners Association elected the following officers recently at the association's annual convention:

President—G. A. Turmail, Bluffton Foods, Inc., Bluffton; vice president—T. N. Lyons, Morgan Packing Co., Inc., Austin; secretary-treasurer—A. F. Dreyer, Indianapolis (reelected).

Wisconsin Canners Association

The Wisconsin Canners Association elected the following officers recently at the association's annual convention:

President—Ray D. Krier, The Krier Preserving Co., Belgium; vice president—R. R. Hipke, A. T. Hipke & Sons, Inc., New Holstein; secretary—Graydon E. Jones, Columbia Canning Co., Cambria (reelected); treasurer—L. S. Montgomery, Gale Packing Co., Galesville; executive secretary—Marvin Verhulst, Madison (reelected).

One of the new Wisconsin officers was reported incorrectly in last week's issue of the INFORMATION LETTER.

Pennsylvania Canners Assn.

The Pennsylvania Canners Association elected the following officers recently at the association's annual convention:

President—A. Reed Hayes, Jr., Mifflin County Packing Co., Reedsville; vice presidents—James M. Shriver, The B. F. Shriver Co., Westminster, Md.; J. A. Hauser, The C. H. Musselman Co., Biglerville; and George C. Lambert, Keystone Mushroom Co., Inc., Coatesville; executive secretary—Charles W. York, York (reelected); treasurer—R. M. Mears, York (reelected).

Iowa-Nebraska Canners Assn.

The Iowa-Nebraska Canners Association elected the following officers recently at the association's annual convention:

President—John Martland, Green Giant Co., Vinton, Iowa (reelected); vice president—Ralph Day, Marshall Canning Co., Marshalltown, Iowa; secretary-treasurer—Roy Chard, Audubon, Iowa (reelected).

Price Level of Canned Foods

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ary. Accompanying the statement are three charts prepared by N.C.A. to show that canned fruits and vegetables are in plentiful supply, that they are selling below June 30 ceilings, and that their retail price level has been steadily below the cost of living index.

In a discussion of amendments to the Defense Production Act, the report says this of the so-called Harrison amendment:

"Fruits and vegetables account for about 21 percent of the family food bill and 7 percent of all goods and services entering the cost of living. With the exception of potatoes, no fresh fruits and vegetables have been under OPS ceilings. Ceiling prices for fresh fruits and vegetables involve intricate problems ranging from seasonal variation in price and supply through administrative difficulties of enforcement. Supplies of fresh fruits, other than peaches, are reported to be somewhat smaller this year than in 1951. It is expected that the total supply of fresh vegetables will be unchanged.

"The elimination of controls over processed fruits and vegetables could raise the family food bill in the future. The packs of canned green beans, peas, and spinach will be somewhat less than a year ago. But the carryover of canned fruits and vegetables will permit per capita consumption to remain about the same. Consumers' prices for these foods are apt to rise, at least to compensate for higher transportation and wage rates.

"Between April and August, retail prices for fresh fruits and vegetables remained about 25 percent higher than in 1951 and wholesale prices have ranged from 25 to 40 percent, each month, higher than in 1951. During the same period, prices for canned fruits and vegetables were slightly below those of 1951 with a rising trend in July and August."

The report notes that of the items whose retail prices are figured into the BLS cost of living index, OPS presently controls only 42.6 percent. Items representing 35.4 percent of the retail price index are exempted from price controls by the Defense Production Act, 14.7 percent are subject to a parity pass-through, 4.7 percent have been suspended by OPS, and 2.6 percent have been exempted by OPS action. This summary represents the relative importance of each of the items included in the BLS index, and apparently refers to control at the retail level.

The Joint Committee report states:

"Consumers and businesses alike feel that prices and costs are high. Consumers blame retailers; retailers blame wholesalers; wholesalers blame processors; and processors blame farmers and raw material suppliers. To combat the situation, consumers and labor organizations plead for controls to lower the cost of living; management demands their elimination as a production incentive to bring down prices; labor insists that industry can afford to absorb wage increases; industry argues that profits are dwindling in the face of constant wage demands and cost-of-living contracts. And so the conflict goes on and on, with pressure coming from all sides supported by strong facts and arguments."

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